



J. TYLER McCAULEY
AUDITOR-CONTROLLER

**COUNTY OF LOS ANGELES
DEPARTMENT OF AUDITOR-CONTROLLER**

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September 20, 2005

The Honorable Board of Supervisors
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, California 90012

Dear Supervisors:

**REQUEST TO APPROVE THE FINAL
BUDGET ADJUSTMENT FOR 2004-2005
ALL DISTRICTS
(4-VOTES)**

IT IS RECOMMENDED THAT YOUR BOARD:

1. Approve the final budget adjustment for 2004-2005.

PURPOSE OF RECOMMENDED ACTION

Approval of the final budget adjustment will allow the Auditor-Controller to close the 2004-2005 financial records and prepare various required financial reports.

JUSTIFICATION

A final budget adjustment is necessary to cover various appropriation overdrafts and appropriate overrealized proceeds of taxes to comply with GANN initiative requirements.

Implementation of Strategic Plan Goals

This action is consistent with the County's Strategic Plan goal of Fiscal Responsibility.

FISCAL IMPACT/FINANCING

This action adjusts the various budgets to reflect financial activity that has already taken place. Included in this action are annual adjustments to the Designation for Health Services (Tobacco Settlement Funds), the Designation for Budgetary Uncertainties (taxes potentially subject to Proposition 62 and the Disney Reserve for Long-Term Loans Receivable), and Designation for SB90 Programs.

Your Board has directed that tobacco settlement funds be placed in a General Fund Designation for Health Services. Accordingly, this action increases the designation account balance by \$124,314,000 to reflect tobacco settlement funds received during 2004-2005 (\$102,895,000), interest earnings on the funds (\$4,714,000), and unused funds that were previously allocated to General Fund budget units for tobacco programs (\$16,705,000).

In accordance with Board policy, there is a recommended increase in the Designation for Budgetary Uncertainties Account of \$14,449,000 for taxes potentially subject to Proposition 62. This amount represents actual revenue above the budgeted amount that was previously set aside by the Board.

In addition, this action decreases the General Fund reserve that was established for loans provided to the Disney Concert Hall Project ("Project"). The amount of the decrease is \$4,124,000 and represents loan principal amounts repaid by the Project to the General Fund during 2004-2005. The loaned funds originated from the Designation for Budgetary Uncertainties and it is recommended that the \$4,124,000 be restored to this Designation account.

For 2004-2005, additional accounts receivable for SB90 were determined to be \$29,101,000. This amount is required to be reserved for long-term receivables, as State funding for SB90 remains suspended. This action reduces the Designation for SB90 Programs by \$29,101,000 and transfers it to Reserves for Long-Term Receivables.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

This action is in accordance with Government Code Sections 29125 through 29130 and will allow the County to demonstrate legal compliance with the budget.

The Honorable Board of Supervisors
September 20, 2005
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This action does not include the adjustments required for the Department of Health Services (DHS). DHS is submitting a separate letter that discusses final budgetary transactions required for DHS General Fund organizations and the Hospital Funds.

IMPACT ON CURRENT SERVICES

None.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "J. Tyler McCauley". The signature is fluid and cursive, with the first name "J. Tyler" and the last name "McCauley" clearly distinguishable.

J. Tyler McCauley
Auditor-Controller

JTM:JN

H:\Budget_Publications\Budget Adjustments\Year-end closing\2004-2005\4 VOTE BAW-VOTE BA LETTER 04-05.doc

c: Chief Administrative Officer
Executive Officer, Board of Supervisors

**AUDITOR-CONTROLLER
FINAL 4-VOTE BUDGET ADJUSTMENT
FY 2004-2005**

GANN CONTINGENCIES - VARIOUS FUNDS

SOURCES:

Overrealized Tax Revenue in the following funds:

A01 (99999/8067) - General Fund	\$ 125,862,000
B06 (41200/8003) - Public Library	953,000
B07 (47000/8003) - Flood Control District	7,058,000
DA1(40109/8003) - Fire Department	7,275,000
TOTAL SOURCES	<u>\$ 141,148,000</u>

USES:

Establish Appropriation for Contingencies - GANN (3307) in the following funds:

A01 (99999) - General Fund	\$ 125,862,000
B06 (41200) - Public Library	953,000
B07 (47000) - Flood Control District	7,058,000
DA1 (40109) - Fire Department	7,275,000
TOTAL USES	<u>\$ 141,148,000</u>

2004-2005 FINAL 4 VOTE BUDGET ADJUSTMENT

USE OF APPROPRIATION FOR CONTINGENCY - GANN (3307)

A01 - GENERAL FUND

SOURCES:

DECREASE

3307	Appropriation for Contingency-GANN	\$	12,798,000
	TOTAL SOURCES	\$	12,798,000

USES:

INCREASE FOLLOWING APPROPRIATIONS

AC 13696 Employee Benefits - Disability

1000	Salaries & Employee Benefits	\$	1,526,000
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CH 26470 DCFS - Seriously Emotionally Disturbed Children Program

5500	Other Charges		3,247,000
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SC 14801 Central District

2000	Services and Supplies		1,489,000
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SC 15190 Courts-Unallocated Other

1000	Salaries & Employee Benefits		4,812,000
2000	Services and Supplies		1,724,000

	TOTAL USES	\$	12,798,000
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2004-2005 FINAL 4 VOTE BUDGET ADJUSTMENT

DESIGNATION OF TOBACCO SETTLEMENT FUNDS

A01 - GENERAL FUND - CONTINUED

SOURCES:

Increase Overrealized Revenue		
ND 10001 Non-Departmental Revenue		
9364	Tobacco Settlement	\$ 102,895,000
BS 13690 Non-Departmental Special Accounts		
8605	Interest Revenue-Deposited Funds	4,714,000
Decrease Appropriation		
HS 20750 Tobacco Settlement Programs		
2000	Services & Supplies	12,339,000
HS 20000 Health Services Administration		
2000	Services & Supplies	879,000
HS 86609 Refurbishment - Conversion To MACC/SNF		
6014	Fixed Assets - Building and Improvements	3,487,000
TOTAL SOURCES		<u><u>\$ 124,314,000</u></u>

USES:

Fund Equity		
3096	Designation for Health Services - Tobacco Settlement	\$ 124,314,000
TOTAL USES		<u><u>\$ 124,314,000</u></u>

2004-2005 FINAL 4 VOTE BUDGET ADJUSTMENT

DESIGNATION OF BUDGETARY UNCERTAINTIES - PROPOSITION 62

A01 - GENERAL FUND - CONTINUED

ND 10000 Non-Departmental Revenue

SOURCES:

	Increase Overrealized Revenue	
8063	Transient Occupancy (10003)	\$ 114,000
8080	Electric Users Tax (10001)	2,932,000
8081	Gas Users Tax (10001)	1,914,000
8082	Telephone Users Tax (10001)	6,425,000
8377	Business License Tax - Landfills (10001)	3,064,000
	TOTAL SOURCES	\$ 14,449,000

USES:

	Fund Equity	
3047	Designation for Budgetary Uncertainties	\$ 14,449,000
	TOTAL USES	\$ 14,449,000

2004-2005 FINAL 4 VOTE BUDGET ADJUSTMENT

RESERVE FOR SB90 LONG-TERM RECEIVABLES (3036)

A01 - GENERAL FUND - CONTINUED

SOURCES:

Decrease

	Fund Equity		
3064	Designation for SB90 Program	\$	29,101,000
	TOTAL SOURCES:	\$	29,101,000

USES:

Increase

	Fund Equity		
3036	Reserve for SB90 Long-Term Receivables	\$	29,101,000
	TOTAL USES	\$	29,101,000

2004-2005 FINAL 4 VOTE BUDGET ADJUSTMENT

RESERVE FOR LONG-TERM RECEIVABLES - DISNEY HALL

A01 - GENERAL FUND - CONTINUED

SOURCES:

Decrease

3031	Fund Equity Reserve for Long Term Loans Receivable- Disney	\$ 4,124,000
TOTAL SOURCES:		<u>\$ 4,124,000</u>

USES:

Increase

3047	Fund Equity Designation for Budgetary Uncertainties	\$ 4,124,000
TOTAL USES		<u>\$ 4,124,000</u>

2004-2005 FINAL 4 VOTE BUDGET ADJUSTMENT

A01 GENERAL FUND - Continued

AC 10451 Trial Court - Operations

SOURCES:

	Increase Overrealized Revenue	
8420	Cost Recovery - PC 1463.007	\$ 2,754,000
	TOTAL SOURCES	\$ 2,754,000

USES:

	Increase Appropriation	
5500	Other Charges	\$ 2,754,000
	TOTAL USES	\$ 2,754,000

AC 10798 Transportation Clearing Account

SOURCES:

	Increase Expenditure Distribution	
5350	Services & Supplies Exp Dist	\$ 131,000
	TOTAL SOURCES	\$ 131,000

USES:

	Increase Appropriation	
2000	Services and Supplies	\$ 131,000
	TOTAL USES	\$ 131,000

AD 15575 Alternate Public Defender

SOURCES:

	Decrease Appropriation	
1000	Salaries & Employee Benefits	\$ 48,000
	TOTAL SOURCES	\$ 48,000

USES:

	Increase Appropriation	
2000	Services and Supplies	\$ 48,000
	TOTAL USES	\$ 48,000

AW 18730 Agricultural Commission / Weights and Measures

SOURCES:

	Decrease Appropriation	
1000	Salaries & Employee Benefits	\$ 22,000
	TOTAL SOURCES	\$ 22,000

USES:

	Increase Appropriation	
2000	Services and Supplies	\$ 22,000
	TOTAL USES	\$ 22,000

2004-2005 FINAL 4 VOTE BUDGET ADJUSTMENT

A01 GENERAL FUND - Continued

BS 13690 Non Departmental Special Accounts

SOURCES:

5500	Decrease Appropriation	
	Other Charges	\$ 40,884,000
	TOTAL SOURCES	<u>\$ 40,884,000</u>

USES:

6100	Increase Appropriation	
	Other Financing Uses	\$ 40,884,000
	TOTAL USES	<u>\$ 40,884,000</u>

BS 19100 Consumer Affairs

SOURCES:

1000	Decrease Appropriation	
	Salaries & Employee Benefits	\$ 26,000
	TOTAL SOURCES	<u>\$ 26,000</u>

USES:

2000	Increase Appropriation	
	Services and Supplies	\$ 26,000
	TOTAL USES	<u>\$ 26,000</u>

2004-2005 FINAL 4 VOTE BUDGET ADJUSTMENT

A01 GENERAL FUND - Continued

CH 26470 DCFS - Seriously Emotionally Disturbed Children Program

SOURCES:

8731	Increase Overrealized Revenue		
	State Aid - Public Assist Program	\$	1,770,000
	TOTAL SOURCES	\$	1,770,000

USES:

5500	Increase Appropriation		
	Other Charges	\$	1,770,000
	TOTAL USES	\$	1,770,000

LC 13750 LA County Capital Asset Leasing/Acquisition

SOURCES:

5500	Decrease Appropriation		
	Other Charges	\$	2,000
	TOTAL SOURCES	\$	2,000

USES:

2000	Increase Appropriation		
	Services and Supplies	\$	2,000
	TOTAL USES	\$	2,000

PB 17390 Probation - Main

SOURCES:

2000	Decrease Appropriation		
	Services and Supplies	\$	338,000
	TOTAL SOURCES	\$	338,000

USES:

1000	Increase Appropriation		
	Salaries & Employee Benefits	\$	338,000
	TOTAL USES	\$	338,000

PB 17890 Probation - Residential Treatment Services Bureau

SOURCES:

2000	Decrease Appropriation		
	Services and Supplies	\$	142,000
5500	Other Charges		20,000
	TOTAL SOURCES	\$	162,000

USES:

1000	Increase Appropriation		
	Salaries & Employee Benefits	\$	162,000
	TOTAL USES	\$	162,000

2004-2005 FINAL 4 VOTE BUDGET ADJUSTMENT

A01 GENERAL FUND - Continued

PK 27640 Parks and Recreation

SOURCES:

2000	Decrease Appropriation Services and Supplies	\$	439,000
	TOTAL SOURCES	\$	439,000

USES:

5500	Increase Appropriation Other Charges	\$	439,000
	TOTAL USES	\$	439,000

2004-2005 FINAL 4 VOTE BUDGET ADJUSTMENT

A01 GENERAL FUND - Continued

SC 14800 Trial Court Operations

SOURCES:

SC 14801 Central District

Increase Overrealized Revenue

99G1 PY AOC & Other State Grant \$ 120,000

Decrease Appropriation

1000 Salaries & Employee Benefits 434,000

SC 14803 East District

Decrease Appropriation

1000 Salaries & Employee Benefits 39,000

2000 Services and Supplies 3,000

SC 14804 North District

Decrease Appropriation

1000 Salaries & Employee Benefits 46,000

SC 14806 Northeast District

Decrease Appropriation

1000 Salaries & Employee Benefits 41,000

2000 Services and Supplies 76,000

SC 14807 North Valley

Decrease Appropriation

1000 Salaries & Employee Benefits 15,000

SC 14808 Northwest District

Decrease Appropriation

1000 Salaries & Employee Benefits 1,000

SC 14809 South District

Decrease Appropriation

1000 Salaries & Employee Benefits 42,000

2000 Services and Supplies 64,000

SC 14810 South Central District

Decrease Appropriation

1000 Salaries & Employee Benefits 2,000

2000 Services and Supplies 4,000

SC 14811 Southeast District

Decrease Appropriation

1000 Salaries & Employee Benefits 93,000

2000 Services and Supplies 54,000

SC 14812 South West District

Decrease Appropriation

1000 Salaries & Employee Benefits 6,000

2000 Services and Supplies 20,000

Increase Appropriation

6800 Intrafund Transfers 9,000

2004-2005 FINAL 4 VOTE BUDGET ADJUSTMENT

A01 GENERAL FUND - Continued

SC 14813 West District

	Decrease Appropriation	
1000	Salaries & Employee Benefits	3,000
2000	Services and Supplies	29,000
TOTAL SOURCES		<u>\$ 1,101,000</u>

USES:

	Increase Appropriation	
SC 14801 Central District		
2000	Services and Supplies	\$ 1,052,000
SC 14804 North District		
2000	Services and Supplies	14,000
SC 14805 North Central District		
1000	Salaries & Employee Benefits	9,000
SC 14807 North Valley		
2000	Services and Supplies	4,000
SC 14808 Northeast District		
2000	Services and Supplies	22,000
TOTAL USES		<u>\$ 1,101,000</u>

2004-2005 FINAL 4 VOTE BUDGET ADJUSTMENT

A01 GENERAL FUND - Continued

Sheriff

SOURCES:

Decrease Appropriation

SH 15682 Sheriff - Patrol

1000	Salaries & Employee Benefits	\$	4,438,000
2000	Services and Supplies		7,586,000
6030	Fixed Assets-Equipment		829,000

SH 15685 Sheriff - Custody

6030	Fixed Assets-Equipment		527,000
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SH 15687 Sheriff - General Support Services

2000	Services and Supplies		1,814,000
5500	Other Charges		3,261,000
6030	Fixed Assets-Equipment		1,245,000

TOTAL SOURCES			\$	19,700,000
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USES:

Increase Appropriation

SH 15685 Sheriff - Custody

1000	Salaries & Employee Benefits	\$	6,914,000
2000	Services and Supplies		5,571,000

SH 15687 Sheriff - General Support Services

1000	Salaries & Employee Benefits		7,215,000
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TOTAL USES			\$	19,700,000
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GENERAL FUND GRAND TOTAL

SOURCES:

REDUCE APPROPRIATIONS	\$	62,733,000
OVERREALIZED REVENUE		4,644,000
TOTAL SOURCES	\$	67,377,000

TOTAL USES	\$	67,377,000
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2004-2005 FINAL 4 VOTE BUDGET ADJUSTMENT

SPECIAL REVENUE FUNDS

BT1 MH 41189 Mental Health Services Act - Proposition 63

SOURCES:

	Fund Equity		
3047	Designation Budget Uncertainties	\$	727,000
	TOTAL SOURCES	\$	727,000

USES:

	Decrease Revenue		
8728	Mental Health Services Act Proposition 63	\$	727,000
	TOTAL USES	\$	727,000

BW5 AO 41075 Air Quality Improvement Fund

SOURCES:

	Increase Overrealized Revenue		
9021	Other Governmental Agencies	\$	181,000
	Decrease Appropriation		
2000	Services and Supplies		288,000
	TOTAL SOURCES	\$	469,000

USES:

	Increase Appropriation		
6100	Other Financing Uses	\$	469,000
	TOTAL USES	\$	469,000

V05 PW 47000 Ventura Freeway/Parkway Calabasas Interchange Construction Fee

SOURCES:

B03 PW 47000 Public Works

	Increase Overrealized Revenue		
9911	Operating Transfer In	\$	5,000
	TOTAL SOURCES	\$	5,000

USES:

V05 PW 47000 Ventura Freeway/Parkway Calabasas Interchange Construction Fee

	Increase Appropriation		
6100	Other Financing Uses	\$	5,000
	TOTAL USES	\$	5,000

2004-2005 FINAL 4 VOTE BUDGET ADJUSTMENT**REGIONAL PARK AND OPEN SPACE FUNDS****HB5 PK 40305 Debt Services Fund****SOURCES:**

5500	Decrease Appropriation	
	Other Charges	\$ 9,068,000
	TOTAL SOURCES	\$ 9,068,000

USES:

6100	Increase Appropriation	
	Other Financing Uses	\$ 9,068,000
	TOTAL USES	\$ 9,068,000

HC1 PK 40310 Debt Services Reserve**SOURCES:**

3087	Fund Equity	
	Designation Debt Service	\$ 1,000
	TOTAL SOURCES	\$ 1,000

USES:

6625	Increase Appropriation	
	Residual Equity Transfers	\$ 1,000
	TOTAL USES	\$ 1,000

HD1 PK 40401 97A Reserve Fund**SOURCES:**

3087	Fund Equity	
	Designation Debt Service	\$ 19,795,000
	TOTAL SOURCES	\$ 19,795,000

USES:

6100	Increase Appropriation	
	Other Financing Uses	\$ 19,795,000
	TOTAL USES	\$ 19,795,000

HE1 PK 40501 2005A Reserve Fund**SOURCES:**

9911	Increase Overrealized Revenue	
	Operating Transfer In	\$ 17,757,000
	TOTAL SOURCES	\$ 17,757,000

USES:

3087	Fund Equity	
	Designation Debt Service	\$ 17,757,000
	TOTAL USES	\$ 17,757,000

2004-2005 FINAL 4 VOTE BUDGET ADJUSTMENT

REGIONAL PARK AND OPEN SPACE FUNDS

HE2 PK 40502 2005A Cost of Issue Fund

SOURCES:

	Increase Overrealized Revenue	
9911	Operating Transfer In	\$ 1,056,000
	TOTAL SOURCES	<u>\$ 1,056,000</u>

USES:

	Increase Appropriation	
2000	Services and Supplies	\$ 1,056,000
	TOTAL USES	<u>\$ 1,056,000</u>

2004-2005 FINAL 4 VOTE BUDGET ADJUSTMENT

REGIONAL PARK AND OPEN SPACE FUNDS - Continued

HE5 PK 40505 2005A Debt Service Fund

SOURCES:

	Increase Overrealized Revenue	
9921	Long Term Debt Proceeds	\$ 181,220,000
9604	Premium/Accrued Interests-Bonds	19,540,000
9911	Operating Transfer In	11,105,000
8605	Deposited Fund	170,000
	TOTAL SOURCES	\$ 212,035,000

USES:

	Increase Appropriation	
5500	Other Charges	\$ 203,043,000
6100	Other Financing Uses	1,056,000
	Fund Equity	
3087	Designation Debt Service	7,936,000
	TOTAL USES	\$ 212,035,000

2004-2005 FINAL 4 VOTE BUDGET ADJUSTMENT

DEBT SERVICE FUND

H02 BH 55802 Marina Del Rey Debt Service Fund

SOURCES:

	Fund Equity	
3301	Other Fund Balance Available	13,479,000
	Increase Overrealized Revenue	
8540	Leasehold Extensions	\$ 561,000
9911	Operating Transfers In	41,798,000
	Decrease Appropriation	
2000	Services and Supplies	1,000
	TOTAL SOURCES	\$ 55,839,000

USES:

	Increase Appropriation	
5500	Other Charges	\$ 55,671,000
6100	Other Financing Uses	168,000
	TOTAL USES	\$ 55,839,000

H08 AC 29988 Detention Facilities Bonds 1987 Debt Service

SOURCES:

	Increase Overrealized Revenue	
8003	Property Taxes - Current	\$ 1,000
	TOTAL SOURCES	\$ 1,000

USES:

	Increase Appropriation	
2000	Services and Supplies	\$ 1,000
	TOTAL USES	\$ 1,000

2004-2005 FINAL 4 VOTE BUDGET ADJUSTMENT

ENTERPRISE WATERWORKS FUNDS

N08 AC 54524 Waterworks District #4 Zone B Debt Service

SOURCES:

	Increase Overrealized Revenue		
8003	Property Taxes - Current Secured	\$	1,000
	TOTAL SOURCES	\$	1,000

USES:

	Increase Appropriation		
5500	Other Financing Uses	\$	1,000
	TOTAL USES	\$	1,000

N57 AC 54683 Waterworks District #39 Zone A Debt Service

SOURCES:

	Increase Overrealized Revenue		
8011	Property Taxes - Prior-Secured	\$	1,000
	TOTAL SOURCES	\$	1,000

USES:

	Increase Appropriation		
5500	Other Charges	\$	1,000
	TOTAL USES	\$	1,000